

ORDINANCE NO. 2127

**AN ORDINANCE REVISING CABLE TELEVISION FRANCHISE
AND THEREBY AMENDING REVISED
CITY CODE – 1982 CHAPTER 4-100**

The City of Coon Rapids does ordain:

Section 1. Revised City Code – 1982 Chapter 4-100, Cable Television Franchise is hereby amended as follows: : (deletions in brackets, additions double underlined)

CITY OF COON RAPIDS, MINNESOTA

CHAPTER 4-100

CABLE TELEVISION FRANCHISE

4-104 - Grant of Authority and General Provisions

(4) Franchise Term. Pursuant to the Franchise Settlement Agreement dated December 16, 2014, this Franchise shall be in effect [~~for a period of 15 years, such term commencing on the Effective Date specified in Section 4-104(10)~~], through December 31, 2019, unless sooner renewed, extended, revoked or terminated as herein provided.

4-121 – Access Channel(s) Provisions.

(1) Public, Educational and Government Access.

(a) The City is hereby designated to operate, administer, promote, and manage PEG access programming on the Cable System.

(b) The Grantee shall continue to dedicate and make available six MHz analog video channels for public, educational, governmental and religious use. The six MHz PEG Access Channels shall be allocated as follows on the Effective Date of this Franchise:

(i) one full-time 6MHz analog video channel for Noncommercial City Government Access Channel use;

(ii) one full-time six MHz analog video channel for Noncommercial Public Access Channel use; and

(iii) four full-time six MHz analog video channels for Noncommercial Public, Educational, religious and/or Government Access Channel use, to be programmed by the City, in its sole discretion.

The City shall have the right to rename, reprogram or otherwise change the use of these channels at any time, in its sole discretion, provided such use is Noncommercial and public, educational, governmental or religious in nature. Nothing herein shall diminish any rights of the City to secure additional PEG channels pursuant to Minn. Stat. §238.084, which is expressly incorporated herein by reference.

The City agrees to loan to Grantee two of the six PEG access channels, currently identified for illustrative purposes only as Channels 60 and 61, for cablecast of programming for any lawful purposes until the City gives written notice requesting return of control and use of either or both channels. Such notice shall be given at least 12 months prior to the date for actual and effective return of control and use of either or both Channels 60 and 61. If Grantee's

contract for the programming service on such channel(s) is scheduled to expire in less than 12 months from the date of such notice, Grantee shall return control of the channel to the City when the programming contract expires, provided that in no event shall Grantee be required to return control of the channel to City in less than 90 days from the date written notice is given to Grantee. Notice for the return of one channel shall not be construed as a waiver of the right to require the return of the second channel at a later date. Grantee agrees its obligation to return use and control of Channels 60 and 61 is otherwise unconditional, and not dependent on any showing of need or cause. The Grantee further agrees that when one or both of these channels are returned for use by the City, such channels shall be received by all Subscribers.

Upon 90 days' notice, Grantee will carry one of the PEG channels in a high definition (HD) format on the cable system such that the City will continue to have 6 PEG Channels; 5 carried in standard definition and 1 carried in high definition. The City represents that it has or will have available by that date sufficient local, non-character generated programming in HD format so as to provide content of value to viewers and not have a blank channel. Any time after December 15, 2015, Grantee will carry an additional PEG channel in high definition in the same manner as the first high definition channel, such that the City will continue to have 6 PEG Channels; 4 carried in standard definition and 2 carried in high definition.

Grantee will deliver the high definition signal to subscribers so that it is viewable without degradation, provided that it is not required to deliver a HD PEG Channel at a resolution higher than the highest resolution used in connection with the delivery of local broadcast signals to the public. Grantee may implement HD carriage of the PEG channel in any manner (including selection of compression, utilization of IP, amount of system capacity or bandwidth, and other processing characteristics) that produces a signal as accessible, functional, useable and of a quality comparable (meaning indistinguishable to the viewer) to broadcast HD channels carried on the cable system.

The HD PEG Channel will be assigned a number near the other high definition local broadcast stations if such channel positions are not already taken, or if that is not possible, near high definition news/public affairs programming channels if such channel positions are not already taken, or if not possible, as reasonably close as available channel numbering will allow.

City acknowledges that HD programming may require the viewer to have special viewer equipment (such as an HDTV and an HD-capable digital device/receiver), but any subscriber who can view an HD signal delivered via the cable system at a receiver shall also be able to view the HD PEG channel at that receiver, without additional charges or equipment. By agreeing to make PEG available in HD format, Grantee is not agreeing it may be required to provide free HD equipment to customers including complimentary municipal and educational accounts and universal service accounts, nor modify its equipment or pricing policies in any manner. City acknowledges that not every customer may be able to view HD PEG programming (for example, because they don't have an HDTV in their home or have chosen not to take an HD capable receiving device from Grantee or other equipment provider) or on every TV in the home.

Grantee will provide a bill message announcing the launch of the HD PEG channel; however City acknowledges that not all customers may receive the bill message notice in advance of the channel launch in the interests of launching the channel sooner.

Grantee will make available to the City the ability to place PEG channel programming information on the interactive channel guide by putting the City in contact with the electronic programming guide vendor ("EPG provider") that provides the guide service. Grantee will be responsible for providing the designations and instructions necessary to ensure the channels will appear on the programming guide throughout the jurisdictions that are part of the City and any necessary headend costs associated therewith. The City shall be responsible for providing programming information to the EPG provider and for any costs the EPG provider charges to programmers who participate in its service. This obligation shall not apply to any PEG channels for which there is a technical impediment to providing guide listings, for example, in the event a PEG channel is narrowcasted or split among more than one PEG programmer or source such that not all viewers see the same programming on that channel.

4-122 PEG Support Obligations.

(1) Beginning on the Effective Date, the Grantee shall pay to the City PEG support of the greater of (i) \$200,000 per year, or (ii) an amount equal to \$1.50 per Subscriber per month from all Subscribers receiving and paying for Basic Cable Service from Grantee. The Grantee may recover the amount of this PEG support obligation via an itemization on Subscriber billing statements ("PEG Fee"). The Grantee shall apply one PEG Fee on the master account for services delivered to non-dwelling bulk accounts, such as hotels, motels or hospitals. The Grantee shall calculate PEG Fees on a pro rata basis for bulk accounts in residential multiple dwelling unit ("MDU") buildings in the following manner: if the bulk rate for Basic Cable Service is one third (1/3) of the current residential rate, then a pro rated PEG Fee shall be added to the bulk bill for an MDU building in an amount equal to one third of the current PEG Fee. If the bulk rate for Basic Cable Service is raised in any MDU building, the pro-rated PEG Fee in that building shall be recalculated and set based on the foregoing formula, regardless of any cap on per Subscriber PEG Fee amounts. On the first four anniversaries of the Effective Date, the City may increase the \$1.50 per subscriber aspect of the PEG Fee identified in item (ii) above by the amount of the CPI or three percent, whichever is less. On the fifth anniversary of the Effective Date, the City may increase the \$1.50 per subscriber aspect of the PEG Fee identified in item (ii) above to an amount not to exceed \$2.00. From the sixth through the fourteenth anniversaries of the Effective Date, the City may increase the \$1.50 per subscriber aspect of the PEG Fee identified in item (ii) above by the amount of the CPI or three percent, whichever is less. Through calendar year 2000, an estimated PEG Fee shall be prepaid to the City on a quarterly basis, no later than 30 days prior to the beginning of each calendar quarter. The estimated PEG Fee shall be reconciled annually to reflect actual PEG Fee receipts by the Grantee, subject to more frequent reconciliation ordered by the City. Any amounts due to the City as a result of a reconciliation shall be paid by the Grantee to the City within 30 days following written notice to the Grantee by the City of the underpayment. If reconciliation discloses an overpayment by the Grantee, the Grantee may credit the amount of any overpayment against its next quarterly PEG Fee payment. Beginning in calendar year 2001, payments for the PEG Fee pursuant to this subsection shall be made quarterly on the same schedule as franchise fee payments.

Effective December 16, 2014, Grantee will continue to charge a PEG Fee of \$2.23 per subscriber per month until the franchise renews. Grantee may continue to recover the grant given to the City out of the PEG Fee and, once the grant is fully recovered, all of the PEG Fee will be remitted to the City on a quarterly basis per the Cable Franchise. Grantee shall fully recover the grant on or before July 31, 2015.

Introduced this 16th day of December, 2014.

Adopted this 20th day of January, 2015.

Jerry Koch, Mayor

ATTEST:

Joan Lenzmeier, City Clerk